

Idaho Biofuels Infrastructure Grant (BIG) Program

On March 26, 2007 Governor Otter signed into law the **Rural Idaho Economic Development Biofuel Infrastructure, Consumer Choice and Fuel Independence Act of 2007** (HB 150). The purpose of this legislation is to provide grants for up to fifty percent (50%) of the cost of the project for Idaho retail fuel dealers who choose to invest in qualified fueling infrastructure projects dedicated to providing biofuels to their customers.

The Idaho Legislature has appropriated \$690,000 for fiscal year (FY) 2008 and anticipates an additional \$1,610,000 for FY 2009 through 2012 for a total of \$2.3 million over the five-year period. The legislation directed the Idaho Office of Energy Resources (OER), formerly the Energy Division, to administer the funds. **The OER anticipates awarding about 10-20 projects during the first year.**

Application Instructions and Rules

Grant Terms

Biofuel means ethanol, ethanol-blended fuel, biodiesel and biodiesel blends.

Biodiesel means the alkyl monoesters of long chain fatty acids derived from vegetable oils or animal fats that meets ASTM D 6751 standards.

Ethanol means ethyl alcohol, a flammable liquid having the formula C_2H_5OH used or sold for the purpose of blending or mixing with gasoline for use in motor vehicles.

Fueling Infrastructure means necessary tanks, piping, pumps, pump stands, hoses, monitors, including installation of equipment necessary for a retail fuel outlet to offer biofuel for sale.

Retail means any fuel supplier who sells fuel or offers fuel for sale to the ultimate consumer.

Grant Awards and Eligibility

Grant awards for this program are for the installation of new or upgraded fueling infrastructure dedicated to the purpose of offering biofuels for retail sale. Awards will be provided for up to 50% of project costs, not to exceed \$100,000 per application and with a minimum total project cost of \$1,000. Funds can be used for installing new fueling infrastructure dedicated to offering biofuels for retail sale, or for upgrading existing fueling infrastructure that is documented as being incompatible with biofuels, including cleaning existing storage tanks.

Funding will be on a first-come first-served basis until the available funding is depleted. Upon receipt of your completed application and supporting documents, your name will be placed on an application list, and your grant will be reserved for you until your project is finalized. You must complete the work within 180 days of the day we send a notification to you that your application has qualified for funding. If you do not submit proof of completion within the 180 days, your name will be removed from the application list and you will not receive a grant. Grant applications will be accepted beginning July 2, 2007. Please be aware that the program may be revised over time and subsequent rules changes may apply.

Qualifying systems must meet all the following requirements:

- Located within the State of Idaho.
- Provide biofuel blends at or above ten percent ethanol (E10) and five percent biodiesel (B5).
- Execute a Letter of Agreement that assures the biofuel of the specified blend or higher is sold continuously for a minimum of five (5) years following project completion. The Letter of Agreement will require annual certification that the system is still providing the authorized (or higher) biofuel blend and the amount (gallons) of biofuels distributed for that year. Failure to provide the authorized biofuel blend will require the grant monies to be returned to the State of Idaho, unless the grantee has received a waiver.

- Costs associated with existing equipment and/or equipment ordered prior to the completion of this grant application are not eligible for funding.
- Complete projects and offer biofuel for sale within 180 days of the award date. If the project cannot be completed within the 180-day period, the OER may approve an extension upon receipt of a request. Otherwise the funds will revert back to the Biofuels Infrastructure Grant Program. The OER must receive requests for extension before the deadline.

Receipt of a completed application form does not obligate the OER to award a grant. The Idaho OER reserves the right, at the discretion of the oversight committee organized to help administer these funds, to reject any or all grant applications when it determines it is in the public's best interest to do so. The Director of the Department of Water Resources has final discretion of awarding grants and the grant amounts, and successful applicants are not guaranteed they will receive the full amount requested.

Grant Process

Step 1

- **Develop a cost estimate for the project.** The cost estimate must include the cost of primary expense items such as the tanks, piping, pumps, pump stands, hoses, and monitoring equipment. Building materials and other items not directly associated with providing biofuels will not be considered for funding. For upgrading existing fueling facilities, documentation must be provided showing which components are incompatible with biofuels.
- **Send a completed application form,** including a project description, cost estimate, and any additional pertinent information to the following address:

**Terry Hoebelheinrich
The Idaho BIG Program
Idaho Office of Energy Resources
PO Box 83720
Boise, ID 83720-0098**

Step 2

- Within thirty (30) days of receipt of the application, the OER will evaluate the proposed project. If it is determined that the proposal is unsatisfactory the application will be returned with recommendations on how to make the proposal satisfactory. Once the proposal or revised proposal is determined to be satisfactory, **the OER will issue a notice of acceptance along with a Letter of Agreement.**
- After receiving the written notification of acceptance, **sign and return the Letter of Agreement** to the above address.

Step 3

- **Install and/or upgrade the fueling system detailed in the cost estimate and offer fuel for sale.** If you change the system design from the approved application contact Terry Hoebelheinrich immediately at (208) 287-4899 or terry.hoebelheinrich@oer.idaho.gov. Your grant may be affected.

Step 4

- Compile detailed invoices for the installed system, write a letter certifying the project has been completed and is operational, and send them to the OER at the above address.

The OER will process the invoice and **mail you a check within 4 weeks.** The Office of Energy Resources reserves the right to inspect the installed system.

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Application Form

Date Received by the OER _____

Business Name _____ Phone (____) _____

Contact Name _____ Phone (____) _____

Mailing Address _____ Email address _____

City _____ State _____ Zip Code _____

Project Address _____ City _____ Zip Code _____

Please make attachment if multiple addresses

Project Description – Briefly describe the current situation and nature of the work that will be done to offer biofuel for sale. This also includes a statement on the type of biofuel and blend(s) that will be offered. If the project is an upgrade, explain the need for replacing the existing fueling infrastructure including documentation of component incompatibility. No specific format is required but the information you provide should be adequate enough for the review committee to understand the conceptual plan for your project. Attach a separate sheet if needed.

Estimated Total Project Cost \$ _____ Requested Grant Amount \$ _____

Please attach a project cost estimate showing, at a minimum, the estimated cost of primary expense items.

Estimated first year throughput: _____ Gallons Ethanol (E100), _____ Gallons Biodiesel (B100)

Estimated construction completion date: _____

Estimated date biofuel will be available for sale: _____

Questions maybe directed to John Crockett at (208) 287-4894 or john.crockett@oer.idaho.gov